



NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

1100 New York Ave NW, Ste 1090 East
Washington, D.C. 20005

TEL (202) 347-3190 FAX (202) 393-0993
INTERNET: www.napawash.org

DEVELOPING PERFORMANCE MEASURES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

**Statement of
THOMAS M. DOWNS
Panel Member**

**Before the
U. S. House of Representatives
Committee on Government Reform
Subcommittee on Federalism and the Census**

May 24, 2005

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before the Subcommittee on behalf of a National Academy of Public Administration (Academy) Panel to discuss our report on performance measures for the Department of Housing and Urban Development's Community Development Block Grant Program (CDBG).¹

CDBG officials asked the Academy to recommend performance measures that would satisfy CDBG management, state and local grantees, and the Office of Management and Budget and be consistent with the requirements of the *1974 Housing Act*, *1973 Government Performance and Results Act* (GPRA), and the *President's Management Agenda* under *PART* (Program Assessment Review Tool). In addition, CDBG officials asked the Panel to recommend ways to incorporate performance measurement into its management information system—the Integrated Disbursement and Information System—commonly referred to as IDIS.

The Academy Panel produced two reports and requests that both be included in the record.² A list of Panel members and their backgrounds is attached to my statement. Views presented here are those of the Panel.

I would like to highlight the findings that most directly relate to the CDBG issues under consideration by this Subcommittee, specifically:

¹ The study was funded by the Office of Community Planning and Development, US Department of Housing and Urban Development.

² The reports are, respectively, *Developing Performance Measures for the CDBG Program* and *Integrating CDBG Performance Measures into IDIS*, both available at www.napawash.org.

- Assessing CDBG performance under PART
- Reporting CDBG performance under GPRA
- Incorporating performance into IDIS
- Developing performance measures
- Leading the CDBG program

The Panel notes that there is considerable difference of opinion among CDBG management, grantees, OMB, policy experts and indeed Congress about what CDBG really is. So, we applaud your efforts to address some of these issues.

I would like to begin with ...

CDBG's PART Assessment

CDBG's PART assessment yielded an overall rating of "ineffective" in 2003-4. The Panel agrees with OMB that CDBG did not effectively demonstrate performance results for the program over its 30-year history, and that it resisted gathering and/or reporting performance data related either to short- or long-term goals and objectives. The Panel believes that CDBG's effectiveness has not been established.

However, the Panel disagrees with OMB that CDBG's mission and purpose are unclear. The *1974 Housing Act* clearly gives wide latitude to states and

communities to spend CDBG monies to meet the needs of poor people and distressed communities.

The Panel also disagrees with OMB's criticisms that CDBG is not geographically or place targeted. Although the Panel appreciates OMB's view that directing funding to distressed areas may provide greater benefits to poor people, the *1974 Housing Act* has no such requirement. Therefore, the Panel believes that OMB criticized grantees for something they were not required to do. There is some disagreement in the field as to whether the Secretary of HUD can compel communities to geographically target. Congress might want to consider resolving this issue.

Next, I would like to focus on several aspects of performance reporting.

In our study, we found that some officials in HUD and in the CDBG grantee community believe that performance reporting under *GPRA* does not apply to them. Indeed, CDBG is a \$4 billion program, yet contributes only three performance measures to HUD's Strategic Plan, even though the program funds nearly 100 different kinds of activities. The Panel believes that CDBG management and grantees have an obligation to contribute adequate performance data to the *GPRA* process.

Much of the frustration in performance-based management in CDBG relates to the IDIS management information system. It works poorly by most standards. The Panel applauds CDBG for its recent initiatives to cleanup grantee data reported in IDIS so that it can be used for management and analysis purposes. The Panel commends CDBG for its recent efforts to

upgrade the system and its databases. The Panel urges Congress to encourage CDBG to fully upgrade IDIS if performance-based management is to be taken seriously. And, Congress should monitor CDBG's progress on this issue.

Also, after careful review of the state of the art in performance measurement, and extensive consultation with CDBG, grantee stakeholders and OMB, the Panel proposed a set of performance measures for consideration by CDBG that would satisfy both PART and GPRA. While the Panel was engaged in its effort, a Working Group comprised of CDBG staff, OMB staff and grantee stakeholders developed their own set of performance measures. The Panel strongly supports this collaborative effort and urges the Congress and OMB to adopt both the process and outcome measures produced by the Working Group.

Finally, the Panel is concerned about leadership of the CDBG program. We acknowledge that OMB did not find fault with CDBG's management under PART. But, although the Panel did not formally study this issue, it was clear that much of the controversy about the program, like performance measurement and the computer system, stem directly from a lack of attention in setting program direction and holding all parties accountable for performance, not just recently, but for years. The Panel believes that until the program becomes better led at all levels, it will continue to be the subject of controversy.

The Panel also believes that management issues resulted in part from the low national priority afforded community development. In spite of billions

spent, there has been insufficient attention to what the funding is being spent on and its effectiveness. It might be a good time for Congress and the Administration to have another look at the Nation's urban policy goals and the role of CDBG. Debates about Strengthening America's Communities Initiative is a place to start.

Mr. Chairman, thank you again for the opportunity to share our views. I would be pleased to answer any questions you or other Members of the Subcommittee might have.

ACADEMY PROJECT PANEL

Nicolas Retsinas, *Panel Chair*

Director, Joint Center for Housing Studies, Harvard University; Lecturer in Housing Studies, JFK School of Government and Harvard Design School, Harvard University. Former Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development; Director, Office of Thrift Supervision, U.S. Department of the Treasury; Executive Director, Rhode Island Housing and Mortgage Finance Corporation; Director of Policy for the Governor, State of Rhode Island.

Thomas M. Downs

President and CEO, ENO Foundation. Former Executive Director, National Center for Smart Growth and Education, University of Maryland College Park; Executive Vice President and Chief Executive Officer, National Home Builders Association; President and Chairman, AMTRAK; Commissioner, New Jersey Department of Transportation; President, Triborough Bridge & Tunnel Authority; City Administrator, Government of the District of Columbia; Executive Director, U.S. Urban Mass Transportation Administration; Associate Administrator for Planning and Policy Development, Federal Highway Administration.

Barry White

Director, Government Performance Projects, Council for Excellence in Government. Former positions with the U.S. Office of Management and Budget: Deputy Associate Director, Education, Income Maintenance, and Labor; Chief, Education Branch; Budget Examiner, Employment and Training Programs. Former Director, Office of Policy, Planning and Evaluation, Food and Nutrition Service, U.S. Department of Agriculture; Special Assistant to the Secretary, U.S. Department of Labor; Director, Elementary and Secondary Education Analysis, Office of Planning and Budget, U.S. Department of Education.

David F. Garrison

Senior Fellow and Deputy Director, Greater Washington Research Program, Center for Urban and Metropolitan Policy, The Brookings Institution. Former Vice President, National Academy of Public Administration. Former positions with U.S. Department of Health and Human Services: Counselor to the Deputy Secretary; Acting Director, Office for Civil Rights; Principal Deputy Assistant Secretary for Planning and Evaluation; Deputy Director and Senior Advisor, Intergovernmental Affairs. Former Director, The Urban Center, Levin College of Urban Affairs, Cleveland State University. Former positions with the U.S. Department of Housing and Urban Development: General Deputy Assistant Secretary, Office of Policy Development and Research; Deputy Assistant Secretary, Office of Policy Development and Research. Former Budget Analyst, Committee on the Budget, U.S. House of Representatives; Legislative Counsel, National League of Cities/U.S. Conference of Mayors.